


Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** February 25, 2015

**SUBJECT:** Fiscal Impact Statement –Health Benefit Exchange Authority Financial Sustainability Amendment Act of 2015 (and the emergency and temporary versions of the bill)

**REFERENCE:** Bill 21-8, shared with the Office of Revenue Analysis on February 20, 2015

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**Conclusion**

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill and its accompanying emergency and temporary versions.

**Background**

The bill allows<sup>1</sup> the Health Benefit Exchange Authority (“Authority”) to annually assess health carriers operating in the District with direct gross receipts of \$50,000 or more. The assessment will be a percentage of the carriers’ direct gross receipts. Each year the Authority will set the percentage so that it generates enough funds to cover the cost of operations. Some years there will be other funding sources, like grants, and the Authority will take this into account when it sets the assessment rate.

The bill’s provisions are already in effect via a temporary bill<sup>2</sup> that went into effect on August 8, 2014. Council is reintroducing this permanent legislation along with emergency and temporary versions so that the law does not lapse.

**Financial Plan Impact**

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<sup>1</sup> By amending sections 2 and 4 of the Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code §§ 31-3171.01 and 31-3171.03.)

<sup>2</sup> Health Benefit Exchange Authority Financial Sustainability Temporary Amendment Act of 2014 (D.C. Law 20-133; D.C. Official Code §§ 31-3171.01 and 31-3171.03) .

The Honorable Phil Mendelson

FIS: Health Benefit Exchange Authority Financial Sustainability Amendment Act of 2015, Bill 21-8 shared with the Office of Revenue Analysis on February 20, 2015

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill and its accompanying emergency and temporary versions. The Authority first assessed health carriers in FY 2014. The assessment will partially fund the Authority's FY 2015 and future budgets.